

EAST AYRSHIRE COUNCIL

DEVELOPMENT SERVICES COMMITTEE: 09 MARCH 2005

CATRINE ENVIRONMENTAL HERITAGE PROJECT – ORGANISATIONAL ARRANGEMENTS

Report by the Executive Director of Development and Property Services Department

1. PURPOSE OF REPORT

1.1 The purpose of this report is to inform the Committee of the progress with the Catrine Environmental Heritage Project (CEHP), to seek Committee approval for the formation of a partnership between the Council and a reformed Catrine Voes Trust (potentially renamed), for the Solicitor to the Council to draft an appropriate constitution and legal documents for the CEHP partnership, and for the Executive Head of Finance to set up and keep the necessary bank accounts and financial records for the CEHP.

1.2 To recommend a structure for membership of the proposed CEHP Executive Committee.

2. BACKGROUND

2.1 The CEHP has been developed by the Policy and Projects Section over the last two years with the support of community groups including the Catrine Community Council, Catrine Community Association, Catrine Voes Trust, Catrine Environmental Group, Catrine Angling Club, the local member for Catrine, Catrine Primary School, Daldorch House School, and environmental agencies including Historic Scotland, Scottish Natural Heritage, Scottish Wildlife Trust, and River Ayr Salmon Fishery Board.

2.2 The CEHP aims to establish and implement a range of projects that conserve, enhance and promote the historical and environmental importance of Catrine, maximising the potential for related educational and recreational uses while enhancing local economic development opportunities. The aims of the project are as follows:-

1. To conserve, enhance and promote the industrial and built heritage of Catrine,
2. To conserve, enhance and promote the areas natural heritage,
3. To maximise education and learning opportunities for the community,
4. To maximise public access opportunities,
5. To encourage local involvement, and
6. To enhance local economic development opportunities.

2.3 The intended outputs from the CEHP are as follows:-

- i) The restoration of the Catrine Weir and Voes System (Scheduled Ancient Monument),
- ii) The restoration of the disused Hydro Electric Scheme to generate electricity to provide an income to assist in the maintenance of both the built and natural heritage of Catrine.
- iii) Implementation of Town Scheme Grants within the potential Outstanding Conservation Area,
- iv) Implementation of a Conservation Management Plan for the nature reserve,
- v) Restoration/renewal of the fish ladder,
- vi) Potential development of a Trout Hatchery,
- vii) Construction of interpretation boards,
- viii) Development of the path network, and
- ix) Tourist facilities (eg. Car parking).

2.4 The Development Services Committee has previously approved the designation of Catrine Voes and Woodlands as a Local Nature Reserve (LNR). This designation has yet to be formally progressed due to the lack of funding to implement the Conservation Management Plan for the LNR. Through the CEHP it is hoped to obtain funding and progress the LNR's designation.

2.5 The Development Services Committee on the 29th June 2004 agreed that the Division should approach the Scottish Executive and Historic Scotland to seek the designation of the Conservation Area in Catrine as Outstanding. This designation would enable the setting up of a Town Scheme to help fund property improvements in the Outstanding Conservation Area.

3. PROJECT PROGRESS

3.1 Considerable progress has been made with the CEHP to date. The Division applied and received a £21,000 Development Grant from the Heritage Lottery Fund for the project in 2004. This grant together with funding from the Council and East Ayrshire Coalfield Area SIP has enabled the Division to appoint consultants to carry out a detailed structural report of the Weir and Voes system. The structural report includes recommendations and costs for full restoration and the creation of the associated interpretation and visitor attractions. The consultancy reports have recently been completed and will provide the basis of funding bids to Historic Scotland, Scottish Natural Heritage and HLF in the future.

3.2 Funding has also recently been secured to undertake a feasibility study into the potential to restore the disused Hydro Electric System. Consultants have been appointed and the consultancy report is due to be completed shortly.

3.3 In September 2004 funding was also obtained from the Council and Historic Scotland to carry out works to safeguard the structure of Catrine Weir and to restore the penstock on the Weir, which enables water levels over the crest of the Weir to be controlled. The works have been successfully completed.

3.4 In addition to the above a series of meetings with key potential funders Historic Scotland, Scottish Natural Heritage and the Heritage Lottery Fund have been held. From the meetings it is clear that elements of the CEHP meet the various funders' criteria. It has also been confirmed that the project requires strong community involvement if it is to receive funding, and that the HLF would require the Council to be the grant applicant/recipient to ensure the appropriate financial management is provided.

4. COMMUNITY INVOLVEMENT

4.1 At a Public Meeting held on 08 February 2005 to discuss the CEHP a potential partnership structure between the Council and a Community Group including representations from a wide variety of community organisations was suggested. It was suggested that the model established by the very successful Newmilns THI, a partnership between the Council and the Irvine Valley Regeneration Partnership should be utilised.

4.2 The public meeting was well attended and it was agreed by a public vote to follow the model established in Newmilns and that a reformed Catrine Voes Trust Ltd should be utilised to represent a wide variety of community organisations in Catrine. This suggestion was seen as preferable for the following reasons:-

- i) CVT is a Limited company;
- ii) CVT has charitable status;
- iii) CVT owns significant assets in Catrine included in the CEHP proposals; and
- iv) Using CVT would reduce the setup timescale.

4.3 To ensure that the reformed CVT is representative of the various community groups in Catrine a total of 19 of the members of the public who attended the meeting indicated that they would be willing to get involved in the CEHP by becoming a member of the reformed CVT. The intention would be that CVT would call a Special Meeting and new Directors and Office Bearers could be nominated and appointed from the newly increased membership. In addition any change to the Memorandum and Articles of the Association (and indeed the name of the Company) could also be agreed at this meeting.

5. ORGANISATIONAL ARRANGEMENTS FOR THE CEHP

5.1 It is proposed that the CEHP is progressed through a partnership between the reformed CVT and East Ayrshire Council. The partnership will

require to be formally set down in a constitution. To enable the project to access expertise within EAC, particularly to assist with implementation and financial management, an agency agreement will also be required. (See diagram). Three main elements of the organisational arrangements for the CEHP are:- CEHP's constitution, the requirement for an agency agreement and the financial systems and audit arrangements.

5.2 "CEHP's Constitution" - HLF will require that the CEHP be co-ordinated and managed by an Executive Project Management Group consisting of the two Partners (the Council and the reformed CVT) and all other project supporters who wish to be represented on it.

5.3 It is suggested that an unincorporated association be formed, comprising an Executive Committee of six members with provision for the creation of a steering group comprising the Executive Committee and such project supporters as wish to be involved. It is proposed that the Executive Committee will comprise three members from East Ayrshire Council and three members from the reformed CVT. The steering group will be an advisory body only. The quorum of the Executive Committee will be four and this will ensure that both Partners must have representation at a meeting of the Committee before a decision can be taken. Representation on the Executive Committee will require to be considered by the full Council.

5.4 "The Agency Agreement" - as unincorporated bodies do not themselves have a legal persona, and therefore cannot hold property, enter contracts or take any legal proceedings in their own name, CEHP through the Executive Committee will require to enter into an agency agreement with East Ayrshire Council authorising the Council to take any such necessary actions on its behalf. These actions will include the issuing of contracts and legal agreements and the Council acting as employing agency for any project staff.

5.5 "Financial Arrangements" - The potential funders such as the HLF require the Council to undertake the financial management of any significant grant received. This requirement will need to be included within the constitution of the CEHP and within the agency agreement, as set out in para 6.1 below.

6. FINANCIAL IMPLICATIONS

6.1 The Executive Head of Finance has indicated that the Finance Service will be able to assist the project by administering and monitoring funds for the CEHP on the basis that the project through the agency agreement will be led and managed by East Ayrshire Council and that all payments and income will be in the name of the Council and not on behalf of the CEHP. However, it should be noted that the Finance Service are not able to undertake any auditing requirements and therefore this will require to be carried out by independent auditors.

6.2 A contribution to the CEHP from the Development Services Capital Programme will be sought over the life of the projects.

7. LEGAL IMPLICATIONS

7.1 It is intended that the Council will be lead partner in any funding submissions for the CEHP projects. The proposed constitution of the CEHP will comprise an Executive Committee of the two Partners (the Council and CVT) with a Steering Group that permits other project supporters to participate in the CEHP.

7.2 The CEHP will be an unincorporated association. Persons who act in a decision making capacity on behalf of this body may be held personally accountable. The CEHP will therefore be required to obtain Directors and Officers Liability Insurance. The Councillors nominated to the CEHP Executive Committee should not act in a decision-making capacity until such insurance has been obtained. However, if as proposed, all payments made in relation to the CEHP are under the control and monitoring of the Council's Finance Service, then the element of risk should be greatly reduced.

7.3 The Council cannot act on behalf of the CEHP unless it has an agency agreement with this body. By undertaking key functions on behalf of the CEHP, the Council will be able to ensure compliance with any grant conditions and reduce any risk associated with this project.

8. RECOMMENDATIONS

8.1 It is recommended that the Committee:-

(1) agree to enter into a partnership with a reformed Catrine Voes Trust for the purposes of progressing the Catrine Environmental Heritage Project and making any grant submissions as detailed in Section 2 of this report;

(2) authorise the Solicitor to the Council to:-

- i) Draft the written constitution of the CEHP as detailed in paras 5.2 - 5.3 above; and subject to the approval of the reformed CVT as project partner, to complete same, and**
- ii) Prepare and sign an agency agreement relative to the CEHP permitting the Council as agent to employ staff and enter into contracts and legal agreements in the name of the Council as agency on behalf of the CEHP, and to perform such other functions on behalf of the CEHP as the Solicitor to the Council deems necessary, as detailed in para 5.4 above, subject to the availability of grant funding;**

- (3) authorise the Executive Head of Finance to establish accounting procedures and records for the CEHP and to monitor and administer all funds received in relation to the CEHP in compliance with any grant conditions, as detailed in para 6.1 above;**
- (4) request that the Council nominate three elected members to represent the Council on the CEHP Executive Committee;**
- (5) note that project updates will be provided on a regular basis.**

LIST OF BACKGROUND PAPERS

1. Report to Development Services Committee "Community environmental Improvement Action Plans and Projects 2004/5 and 2005/6" - 14 December 2004.
2. Report to Development Services Committee "Community Environmental Improvement Action Plans and Projects 2003/4 and 2004/5 - 10 March 2004.
3. Report to Development Services Committee "Community Environmental Improvement Action Plans and Projects 2003/2004 - 26 August 2003.
4. Catrine Environmental Heritage Project - project planning paper - October 2003.

For further information on the content of the report contact Colin McKee, Principal Planning Officer Policy & Projects, on 01563 576769.

James Lavery
Executive Director of Development and Property Services

01 March 2005
(CMcK/MMM)

Implementation Officer: Alan Neish

**Catrine Environmental Heritage Project
(CEHP) Proposed Organisational Structure**

